

## Middle Class Economics: Expanding Opportunities for People with Disabilities

The President's 2016 Budget is designed to bring middle class economics into the 21st Century. This Budget shows what we can do if we invest in America's future and commit to an economy that rewards hard work, generates rising incomes, and allows everyone to share in the prosperity of a growing America. It lays out a strategy to strengthen our middle class and help America's hard-working families get ahead in a time of relentless economic and technological change. And it makes the critical investments needed to accelerate and sustain economic growth in the long run, including in research, education, training, and infrastructure.

These proposals will help working families feel more secure with paychecks that go further, help American workers upgrade their skills so they can compete for higher-paying jobs, and help create the conditions for our businesses to keep generating good new jobs for our workers to fill, while also fulfilling our most basic responsibility to keep Americans safe. We will make these investments, and end the harmful spending cuts known as sequestration, by cutting inefficient spending and reforming our broken tax code to make sure everyone pays their fair share. We can do all this while also putting our Nation on a more sustainable fiscal path. The Budget achieves about \$1.8 trillion in deficit reduction, primarily from reforms to health programs, our tax code, and immigration.

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The U.S. economy is recovering: in 2014, the economy added more jobs than in any full calendar year since the 1990s, and the unemployment rate fell. As the economy picks up steam, far more needs to be done to ensure all share in the recovery. As we near the 25th Anniversary of the Americans with Disabilities Act (ADA) and the 40th Anniversary of the Individuals with Disabilities Education Act (IDEA), both in July 2015, people with disabilities have made great strides, but still have low graduation rates and high unemployment rates, making it challenging to share in the gains of the economy's acceleration. Because 56.7 million Americans live with disabilities, 19% of our total population, the Administration believes we should be doing everything we can to ensure that Americans with disabilities have the opportunity to share in the Nation's economic prosperity. The Budget does this by:

**Encouraging Innovation to Improve Outcomes for People with Disabilities.** Over the past three years, the Department of Education (ED) has been able to redirect unspent Vocational Rehabilitation Funds to support a wide range of ground-breaking projects, including a Disability Innovation Fund (DIF) to support innovative activities aimed at improving employment outcomes for individuals with disabilities. Since 2012, ED, in consultation with the Social Security Administration and Departments of Labor and Health and Human Services, has used the DIF to provide \$215 million to the Promoting Readiness of Minors in SSI (PROMISE) pilot to test and evaluate interventions that successfully improve child and family outcomes and reduce the need for children to remain in the SSI program. The Budget seeks annual authority for ED to operate DIF on a continuous basis. In 2015 and continuing in 2016, ED will use the DIF to fund projects designed to identify innovative transition services for youth with disabilities that lead to postsecondary education and/or competitive employment and projects intended to address the needs of individuals with disabilities who need to support to maintain employment.

**Helping Workers with Disabilities Remain in the Workforce.** The Budget provides new authority and \$400 million in resources for the Social Security Administration (SSA), in partnership with other Federal agencies, to test innovative strategies to help people with disabilities remain in the workforce. Early-intervention measures, such as supportive employment services for individuals with mental impairments, targeted incentives for employers to help workers with disabilities remain on the job, and incentives and opportunities for States to better coordinate services, have the potential to achieve long-term gains in the employment and the quality of life of people with disabilities, and the proposed demonstrations will help build the evidence base for future program improvements.

**Strengthening Job Training for People with Disabilities.** In 2014, Congress passed the bipartisan Workforce Innovation and Opportunity Act (WIOA), which provides important updates and reforms to the Nation's job training system. WIOA requires significant improvements to the Vocational Rehabilitation system, including alignment with other federal job-training programs, and increased attention on helping individuals with disabilities enter competitive, integrated employment. To build on this progress, the Budget provides for \$3.4 billion for the Vocational Rehabilitation (VR) State Grants program including an increase of \$56.7 million over the 2015 level.

**Creating Pathways to High-Growth Jobs.** Last year, Congress came together and passed important improvements to the Nation's job training system with the bipartisan Workforce Innovation and Opportunity Act (WIOA). To build on this progress, the Budget increases funding for the core WIOA grants and provides \$1.2 billion, a \$500 million increase over the 2015 enacted level, to support in-person employment services for unemployed workers to help them find a good job or the training or services they need prepare for one. This investment would reach the one-third of unemployment insurance beneficiaries who are most likely to run out of benefits before getting reemployed, all returning veterans who receive unemployment benefits, and other displaced workers who come into American Job Centers. Evidence suggests that these types of services are a cost-effective intervention that get workers back into jobs faster, and help employers to fill their in-demand jobs. For workers who need job training to get back on their feet, the Budget provides \$16 billion over ten years to double the number of workers receiving training through the workforce development system. This training would focus on industries that are expected to experience significant growth in the coming decades, such as health care, energy, advanced manufacturing, transportation and logistics, cybersecurity, and information technology. Additional funding would also be available to provide training, subsidized employment and need-based stipends for the long-term unemployed.

**Expanding Learn and Earn Strategies.** The Budget includes a \$2 billion Apprenticeship Training Fund to help more employers come to the table to provide high-quality on-the-job training through apprenticeship. Of the \$2 billion Apprenticeship Training Fund, \$1.5 billion would be used to provide states and regions with resources to encourage greater employer participation in apprenticeship and make this model available to a broader range of workers. The remaining \$500 million would create an innovation fund to reward partnerships between states, cities, regions, non-profits, employers, labor unions, and training providers to expand apprenticeships. The President's Apprenticeship Training Fund proposal builds on bipartisan momentum underway to increase support for apprenticeships. The Budget also includes \$100 million in discretionary funding for apprenticeship grants to States, industry, and community based organizations to build capacity to develop or expand registered apprenticeship programs.

**Reforming Federal Job Training to Better Connect Workers with Good Jobs.** In last year's State of the Union, the President asked Vice President Biden to lead an across-the-board review of America's

job training programs to ensure they share a single mission: providing workers with the skills they need to secure good jobs that are ready to be filled. In July, after engaging with business, labor, and the workforce community, the Vice President delivered a report that details specific actions that the Administration is taking and can take in the future as a result of this review. Specifically, the Administration has created a job-driven checklist that will guide administrative action to ensure that what's working best becomes what all Americans can expect when they participate in a federally funded training program. The checklist includes best practices such as engaging with employers in training partnerships to fill in-demand jobs in growing fields, expanding on-the-job training and apprenticeships, and using data to guide smarter choices and achieve better employment outcomes. The Administration already awarded over \$1 billion in competitive grants to organizations last year that applied this checklist, channeling training resources to growing sectors. For example, over \$300 million was awarded to partnerships to train and hire for in-demand IT occupations. Additionally, the Administration is working to incorporate the checklist into existing programs and grants. For example, training for vocational rehabilitation counselors now includes training in employer engagement and use of labor market information to identify in-demand fields.

**Increasing Support for the Education of Children with Disabilities.** The Budget continues the Department of Education's commitment to supporting education for students with disabilities, providing \$11.7 billion for the Individuals with Disabilities Education Act (IDEA) Grants to States to provide a high quality education and help offset State and local education costs for children with disabilities. The Budget also provides \$10 million through IDEA Technical Assistance and Dissemination, for competitive Results Driven Accountability (RDA) Implementation grants, which shift the focus of the Department's monitoring efforts from compliance with red tape to improving results for infants, toddlers, children, and youth with disabilities. These grants would provide funds to States and lead agencies for statewide technical assistance, professional development, or other coordinated activities to support States during the implementation of the Department's RDA efforts.

The Budget also provides \$907 million for early intervention and preschool services for children with disabilities, an increase of \$115 million from 2015 enacted. This proposal includes \$15 million for a pay-for-success initiative for early identification of and intervention for learning and developmental delays, with a potential focus on autism, intended to help identify, develop and scale-up evidence-based practices.

Finally, the Budget includes substantial new investments in Head Start, child care, and preschool programs. All of these programs serve children with disabilities and these new investments which seek to expand access as well as quality will include an important focus on the needs of children with disabilities, ensuring that these children have access to care that can meet their needs.

**Improving Services for Children and Individuals with Disabilities.** The Budget includes \$20 million for the Aging and Disability Resource Centers (ADRCs) program, which make it easier for Americans nation-wide to learn about and access their health and long-term services and support options. ADRCs support state efforts to create consumer-friendly entry points into long-term care at the community level. Additionally, the Budget supports the Administration for Community Living's new initiative to develop best practices and an evidence base to better support young people with intellectual and developmental disabilities as they transition from adolescence into young adulthood across all systems - health, education, employment, human services, and community living.

**Providing Housing for Persons with Disabilities.** Providing supportive housing for very low-income people with disabilities helps a population often at risk of homelessness or institutionalization. The HUD Housing for Persons with Disabilities program (known as "Section 811") subsidizes developments that provide a platform for disabled persons to live independently in integrated community-based settings. The Budget provides \$177 million to continue current assistance and expand this housing by about 700 units.

**Supporting Housing Assistance for People Living with HIV/AIDS.** The Budget provides \$332 million for HUD's Housing Opportunities for Persons with AIDS (HOPWA) program to address housing needs among people living with HIV/AIDS and their families. The program provides States and localities with the resources to create comprehensive strategies for providing housing assistance that gives patients the stability needed for effective treatment. In partnership with Federal agencies through the HIV Care Continuum, HUD is working to improve outcomes that promote greater achievements in viral suppression through the coordination and alignment of housing support with medical care. HUD and the Administration also are proposing legislative reforms that would update HOPWA's grant formula to distribute funds based on more robust Centers for Disease Control and Prevention data on persons living with HIV, rather than the cumulative number of HIV cases.

**Supporting Independent Living for Individuals with Disabilities.** The Budget provides \$111 million, an increase of \$5 million over the 2015 enacted level, for the Independent Living program. This program supports states and consumer-controlled nonprofit organizations to assist individuals with significant disabilities to achieve self-determined independent living goals, and fosters working relationships between various entities to maximize the leadership, empowerment, independence, and productivity of individuals with disabilities. To ensure individuals with disabilities receive services in the most appropriate setting, the Budget also expands access to Medicaid home and community-based long-term care services and supports. The Budget extends and improves the Money Follows the Person Rebalancing demonstration, which helps States rebalance their long-term care systems and provide opportunities for individuals with disabilities to transition back to the community from institutions. The Budget also gives states the option to expand eligibility for the Community First Choice and 1915(i) home and community-based state plan options. Additionally, the Budget establishes a pilot for up to five states to test a comprehensive long-term care state plan option that would allow states to provide long-term care services and supports across the continuum of care.

**Supporting New Transit Investments.** The Budget dramatically increases annual transit investment over the prior reauthorization, with resources supporting both existing capacity and capacity expansion (New Starts) in projects involving bus rapid transit, subway, light rail, and commuter rail systems. Transit systems are critical not only in fast-growing cities but in suburbs, small towns, and rural areas across the country, providing much-needed services to seniors, Americans with disabilities and others. Data shows that demand for public transit continues to climb and the Administration's proposal would help meet this growing need.

**Caring for Wounded, Ill, and Injured Servicemembers.** To continue providing quality health care for the Nation's 9.2 million eligible military beneficiaries, the Budget provides \$47.9 billion for the Department of Defense (DOD) Unified Medical Budget to support the DOD Military Health System. The Budget responsibly supports wounded, ill, and injured servicemembers and their families and helps servicemembers transition into civilian life and the workforce. In particular, DOD is improving its support for servicemember mental and emotional health by expanding its network of treatment centers, increasing collaboration among its suicide prevention programs, and working to eliminate the

stigma associated with accessing mental health services. Three new National Intrepid Centers of Excellence satellite facilities dedicated to advancing traumatic brain injury and psychological health treatment, research, and education are now complete, with two more currently under construction and four additional locations planned. In addition, the Budget provides targeted resources for Military Departments to reduce the time required to process wounded, ill, and injured servicemembers through the Disability Evaluation System.

**Advancing Medical and Prosthetic Research.** The Budget provides \$622 million for medical and prosthetic research to improve the lives of veterans and all Americans through health care discovery and research. A new \$10.2 million initiative will focus on enhancing efforts at the VA to further develop health care research through evidence-based decision-making. This effort will focus on methods for accurately assessing quality metrics, including timeliness and uniform delivery of VA medical care, developing mathematical models of health systems functions, optimizing clinical decision-making at the time care is delivered, and testing implementation of new programs to determine barriers to large-scale adoption. This innovative research effort will assist in creating a strong foundation for the future of VA by helping to assess the efficiency and effectiveness of care throughout the VA system.

**Strengthening Medicare.** Millions of people with disabilities rely on Medicare for health coverage. The Medicare proposals in the Budget would extend the solvency of the Hospital Insurance trust fund by approximately five years. The Budget proposes a robust set of initiatives to strengthen Medicare by encouraging health care providers to deliver better care and better outcomes for their patients. The budget also proposes to accelerate the closing of the prescription drug coverage gap (also known as the donut hole) initiated by the Affordable Care Act to reduce drug costs for seniors and persons with disabilities.

**Maintaining Affordable, High-Quality Primary and Preventive Care.** Across the United States, 1,300 health centers operate over 9,000 primary care sites that serve as high-quality, dependable sources of primary care services in communities. The Budget invests \$4.2 billion, including \$2.7 billion in new mandatory resources, in the Health Centers program in 2016 to support services for an estimated 28.6 million patients. In total, the Budget provides \$8.1 billion in new mandatory resources over three years to support health centers.

**Implementing the Affordable Care Act.** The Affordable Care Act (ACA) has taken significant steps toward putting the Nation back on a sustainable fiscal course while laying the foundation for a higher quality, more secure health care system. Through premium tax credit and cost sharing assistance to make coverage affordable and increased Federal support to States expanding Medicaid coverage for newly eligible low-income adults, ACA ensures that every American can access high-quality, affordable coverage, providing health insurance to millions of Americans who would otherwise be uninsured, and strengthening coverage for those who already had insurance.

Now in the second year of full ACA implementation, millions of people have enrolled in either private insurance through the Health Insurance Marketplace or for coverage through Medicaid and the Children's Health Insurance Program (CHIP). Additionally, millions more young adults already have gained coverage under the health care law by staying on their parents' plans until their 26<sup>th</sup> birthday.

While there is much more work to be done, we now live in an era where no family will be denied coverage because of a pre-existing condition like high blood pressure or asthma. No American will

have to worry that losing a job means he or she can't get health coverage. And small businesses may be able to get financial help to pay for new affordable coverage options for their employees.

The challenges in our health care system were decades in the making and will not be solved overnight, but millions of Americans have signed up for insurance and are getting the peace of mind of knowing that they can get the care they need without losing everything they have worked and saved for. And Americans across the country have the security of knowing that if they want to change jobs or start their own business, they will have access to affordable health insurance for their family.

**Preventing Hunger.** The Administration strongly supports the Supplemental Nutrition Assistance Program (SNAP) and other programs that reduce hunger and help families meet their nutritional needs. SNAP is the cornerstone of our Nation's nutrition assistance safety net, touching the lives of nearly 47 million Americans, the majority of whom are children, the elderly, or people with disabilities. Recent research has shown that SNAP not only helps families put food on the table, but it has a positive long-term impact on children's health and education outcomes. In addition to supporting SNAP, the Budget also invests \$67 million to support summer electronic benefit transfer (EBT) pilots, which are proving successful in reducing childhood hunger and improving nutrition in the months when school meals are unavailable.

**Expanding the EITC for Childless Workers.** The Earned Income Tax Credit (EITC) is a pro-work tax credit that reduces poverty and promotes employment among families with children. However, the EITC available to childless workers and non-custodial parents is much smaller with a maximum of \$500, phases out when workers still have very low earnings, and is unavailable to workers under age 25, which means that it cannot shape work decisions during the crucial years at the beginning of a young person's career. The Budget will double the maximum credit (to \$1,000), making the credit available to workers up to about 150 percent of the poverty line. It would also expand eligibility to workers age 21-24, encouraging employment and on-the-job experience for young adults, helping them to make ends meet. The proposal would reduce poverty and hardship for 13.2 million low-income workers struggling to make ends meet while promoting employment.

**Expanding the EITC for Older Workers.** The EITC is among the Nation's most effective tools for reducing poverty and promoting employment. But because the EITC available to workers without children and non-custodial parents is small, they miss out on the anti-poverty and employment effects of the EITC. The Budget would double the "childless worker" EITC and make the credit available to workers with earnings up to about 150 percent of the poverty line. This would help many older workers, including those who had children but those children are now adults. The proposal would also harmonize the maximum age at which older workers are eligible for the EITC for childless adults with the Social Security full retirement age, which is increasing in stages over the coming years and will reach 67 in 2022. The proposal would directly reduce poverty and hardship for millions of low-income older workers struggling to make ends meet.